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# THE ONE SOLUTION OF THE MANCHURIAN PROBLEM

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## I.

The time has come when it is necessary to face the situation in Manchuria with the utmost frankness. The settlement of the Russo-Japanese war, described by that eminent jurist, the late Monsieur de Maartens, as the most hasty and imperfect settlement with which he was acquainted, still remains the question of all questions in the Far East. If the future is not to be marred by a further weakening of the Chinese polity, if the employment of such an expression as "The Break-up of China" is really to fall into innocuous desuetude, it is essential that the actual issues should now be generally understood, and the whole weight not only of public opinion but of neutral diplomacy thrown quite openly on China's side. Outlines have year by year grown clearer and better defined; the issues have been fined down; we know now what is and what is not. It is no longer a question of this or that opinion; it is a question of certain simple facts; and the facts now set forth, and the construction placed on them, may be quickly verified by any reasonable person.

The first thing to write down clearly is the international status of Manchuria. Manchuria is as much a part of China as the metropolitan province of Chihli. No one, of course, denies that Manchuria has long been an integral part of the Empire; nevertheless there has been a suspicion abroad that it merited being classed with Mongolia rather than with the home provinces. Nothing could be more erroneous; it is as purely Chinese as Shantung. The population is entirely Chinese, since the word Manchu to-day has only an academic value; their sympathies are entirely Chinese; the bonds which unite North China and Manchuria are closer than the bonds which unite the Yangtze provinces with South China, Manchuria having for many years been simply what

the great western plains were to the older states of the American union—a land to emigrate into; and, of all the many Chinese colonists Manchuria has received, ninety per centum come from Shantung and Chihli. To put it concisely, the region is as much Chinese as Australia is British.

This view is not original. It was even shared by the late Lord Salisbury's government in 1900, and was one of the reasons why the Anglo-German Agreement of 1900 regarding China proved absolutely abortive; Germany, after her signature of that document, having stated in no uncertain language that she considered Manchuria outside the scope of the agreement. Yet what a shallow and unreasonable view! Amongst the first acts of the Manchu Dynasty, after it was firmly established in Peking in 1644, is to be found the constant dispatch of expeditionary columns to the northern and northwestern limits of that land to effect the subjugation of nomad tribes, who still lingered in mountain fastnesses, and to check the infiltration of Cossack freebooters who were even then active along the upper reaches of the Amur. Two and a half centuries ago an open title to the land was claimed and made good. The sovereignty of China, publicly established over every inch of the present provinces, and far beyond, by the Treaty of Nerchinsk in 1698 has never been an uncertain sovereignty. Russia, then the only Asiatic power of international importance, solemnly admitted by that treaty all Chinese claims. By subsequent acts Russia half a century ago modified this ancient arrangement; she acquired the uninhabited left bank of the Amur and the uninhabited Primorsk, or Pacific Province, thus giving her an outlet on the Pacific as well as certain valuable riparian territory fit for colonization. In this there was no proper question of territorial robbery, the region acquired had been clearly proved by the flux of time to be too far north for Chinese colonization. It all belonged legitimately to Siberia, which fate has marked as Russian and nothing but Russian. Since then, that is for fifty years, there has been no question of frontier rectification, no question of upsetting a settlement first conceived by Muravieff Amurski, a man with a vision as clear as crystal, for the good and ample reason that a proper and final delimitation had at last been made in 1860, based on what may be called ethnical grounds.

It is important here to insist upon this point very earnestly;

it was the question of Korea, a totally different question, which blurred the outlines and suddenly complicated a simple problem.

The policy of the Japanese in 1895, after they had driven the Chinese out of Korea, in attempting forcibly to annex the Liaotung Peninsula, by which term was included all the territory south of a line drawn from the Yalu River, via Fenghuangcheng and Haicheng to the port of Newchwang, was a false policy, a political error of the first magnitude. The question of the overlordship of Korea, it was only that then, had nothing to do with Manchurian territory; by deliberately mixing the two questions the seed of immense troubles was sown by Japan, both for herself and for others. Frustrated by the action of three European Powers in her attempt to annex Southern Manchuria, Japan publicly admitted in terms which admit of no misconstruction, "that such permanent possession would be detrimental to the lasting peace of the Orient." These are the words of no less a personage than the Emperor of Japan; and, as events soon showed, not only were they a declaration of policy but a grim prophecy as well.

The sequel proves it. The action of Russia in the years following the retrocession of the Liaotung territory, an action primarily induced by the false lead Japan had given, culminated in two far-reaching tragedies, the Boxer uprising and the Russo-Japanese war. Briefly, as the result of the first tragedy Russia openly attempted to take a great step forward; as a result of the second she was forced to take a half-step backward. Her so-called occupation of Manchuria had never been effective even in a military sense, since had it been so the conflict of 1904-1905 would not have come. Her deliberate attempt to argue that Korea was a geographical part of the Chinese *hinterland* was as cruel as had been Japan's attempt to argue that the northern littoral of the Yellow Sea, be the country Korean or Chinese, openly fell within her sphere of sovereignty. Thus it may be legitimately claimed that no right of eminent domain in any part of Manchuria has been successfully advanced by an alien Power for half a century and that no such right can be advanced. The frontiers of fifty years ago, by virtue of a law as inexorable as that great physical first-truth, the survival of the fittest, call their claims—the Chinese have settled on and cultivated the soil and own the soil. Modern frontiers consist not of rivers or mountains, but of masses of men. Races

occupy their final abodes, and so long as a race does not die a slow political death, the death which Korea died, the right of eminent domain cannot really pass to alien hands. The Chinese as a race are more vigorous to-day than they have been for hundreds of years. Manchuria is for them a microcosm of their future national existence—they cannot any more relinquish their sovereignty over that region than they can forsake their ancient capital. And this is precisely the view which a study of every important public document loudly proclaims. Let us see it.

It is now generally accepted that the Treaty of Peace, signed by Russia and Japan at Portsmouth, was nothing but an annexure to the real treaty which made war impossible, the second Anglo-Japanese alliance. Formally entered into at London before the plenipotentiaries at Portsmouth had settled any of the chief points of difference, it is this document which gives absolute guidance regarding the post bellum status of Manchuria, the point of peculiar interest at the present moment. For at the time of its making, this treaty, in a higher sense, was not so much an alliance as a pronouncement of policy, of exactly the same nature as the no less far-reaching declaration of President Monroe regarding the American continent. England laid down certain principles; Japan accepted them. It is a fact which is not disputed that Great Britain, through her control of the Suez Canal, not only controls the Oriental trade but dominates the political relationship that Europe bears to Asia, a relationship which is still almost entirely decided by sea-power, a condition amply proved by the Manchurian campaign. The strategic possessions, beginning with Gibraltar and Malta and ending with Singapore and Hongkong, are the outward and visible signs of that domination which is by no means as shaken as many suppose. Certain principles flow naturally from that domination; those principles found clear expression in the arrangement made in London.

The preamble of the Anglo-Japanese Treaty stated the three-fold subject of the alliance thus:

(a) The consolidation and maintenance of the general peace in the regions of Eastern Asia and of India.

(b) The preservation of the common interests of all Powers in China by insuring the independence and integrity of the Chinese Empire and the principle of equal opportunities for the commerce and industry of all nations in China.

(c) The maintenance of the territorial rights of the high contracting

parties in the regions of Eastern Asia and of India, and the defence of their special interests in the said regions.

It is manifestly only the last paragraph of these three which concerns us here. Though the second paragraph deals specifically with the question of insuring the independence and integrity of the Chinese Empire, the third paragraph may seem to qualify that declaration by speaking of "the special interests" of the high contracting parties in the regions covered by the agreement. But a careful study of the eight main articles of the treaty proves conclusively that there was no question at all of Manchuria in the minds of the signatories; in the year 1905 this agreement was purely a defensive agreement from the point of view of both the signatories. The full explanation of the expression "the special interests of the high contracting parties" is to be found in Articles III and IV—the only two of the eight articles which say anything at all about territory or interests—the other six being in the nature of a military convention and nothing else, aimed at Russia. To quote these two articles is to show their singular force:

*Article III.*

Japan possessing paramount political, military and economic interests in Korea, Great Britain recognizes the right of Japan to take such measures of guidance, control and protection in Korea as she may deem proper and necessary to safeguard and advance those interests, provided always such measures are not contrary to the principle of equal opportunities for the commerce and industry of all nations.

*Article IV.*

Great Britain having a special interest in all that concerns the security of the Indian frontier, Japan recognizes her right to take such measures in the proximity of that frontier as she may find necessary for safeguarding her Indian possessions.

It must be at once apparent to the least reflective that these two articles, carefully set together, balance one against the other just because they are so juxtaposed. Japan had special interests in Korea, which was not then annexed; England had a special interest in all that concerned the Indian frontier. That is to say that the annexation of Korea and British action in Afghanistan and in the Persian Gulf as defensive measures against Russia, who was still the enemy and an unbeaten Power in both an economic and military sense, were contemplated as possible and even prob-

able. As regards Manchuria it was simply anticipated that, though military evacuation must come as soon as peace was officially registered by a solemn decree, it would require the passage of years to allow a vast region which had been the scene of such dissimilar ambitions and such heroic conflicts to revert completely to Chinese control. The writer has recently assured himself in London in the highest quarters that this view is absolutely correct. No one, then, who is not wilfully perverted, need now argue that England has acquiesced at any time in the dismemberment of Manchuria. What many suppose to have been a conspiracy of silence has been proved to have been nothing more than the indifference of an ignorance now happily dispelled.

A brief examination has now been made of what may be called, in Bismarck's phrase, the Imponderabilia of the Manchurian situation, the things which still exert influence and which qualify or modify, as the case may be, the active factors of the day. In other words, the general view is now complete. In the next section it becomes necessary to be much more specific and to show that all published diplomatic documents dealing with Manchuria, which China has given to the world in good faith, proceed clearly and absolutely on the only assumption which can be drawn from the text of the Anglo-Japanese alliance of 1905, to wit, that it would require the passage of years to allow a vast region which had been the scene of such dissimilar ambitions and such heroic conflicts to revert completely to effective Chinese control.

## II.

The particular status of Manchuria, from the Russo-Japanese standpoint, finds no better definition than in those articles both of the Portsmouth Treaty and the confirming Chino-Japanese Treaty of the same year which deal with the question of military evacuation. From these articles it is likewise made absolutely and unquestionably clear, no matter what claims may have been subsequently essayed, that Manchuria is inevitably destined to revert completely to Chinese control, provided that the Chinese Empire as a political unit is consolidated and modernized. It is well to mention also at this point, though the argument belongs to later paragraphs, that it was just as specifically and clearly laid down as a condition of peace that China be at once allowed an absolutely free hand in developing

the resources of the entire region. There can be no more argument about these points than about the solar system.

Article III of the Portsmouth Treaty states:

Japan and Russia mutually engage:

1. To evacuate completely and simultaneously Manchuria, except the territory affected by the lease of the Liaotung Peninsula, in conformity with the provisions of Additional Article I annexed to this Treaty; and

2. To restore entirely and completely to the exclusive administration of China all portions of Manchuria now in the occupation, or under the control, of the Japanese or Russian troops, with the exception of the territory above mentioned.

The Imperial Government of Russia declares that they have not in Manchuria any territorial advantages or preferential or exclusive concessions in impairment of Chinese sovereignty or inconsistent with the principle of equal opportunity.

And this is followed by this frank admission:

Japan and Russia reciprocally engage not to obstruct any general measures common to all countries which China may take for the development of the commerce and industry of Manchuria.

It is well that there is on permanent and clear record such a political confession as this. For the use of this language makes it unalterably clear that save for the Manchurian railways and the leased territory, the redemption of each of which is specially provided for, neither Russia nor Japan can claim to-day in Manchuria any right whatsoever.

But there is more to confirm the leading idea so loudly insisted upon in the historic year 1905, that every possible vestige of alien political predominance should be removed as soon as China proved herself capable of maintaining law and order. The text of the Chino-Japanese Treaty of December, 1905, besides confirming matters relating to Manchuria dealt with in the formal Treaty of Peace, has the following remarkable declaration which it should be easy for the Chinese Government to give effect to, when constitutional government is in full working order two years from now.

Article II states:

In view of the earnest desire expressed by the Imperial Chinese Government to have the Japanese and Russian troops and railway guards in Manchuria withdrawn as soon as possible, and in order to meet this desire, the Imperial Japanese Government, in the event of Russia agreeing to the withdrawal of her railway guards, or in case other proper measures are



agreed to between China and Russia, consents to take similar steps accordingly. When tranquillity shall have been established in Manchuria, and China shall have become herself capable of affording protection to the lives and property of foreigners, Japan will withdraw her railways guards simultaneously with Russia.

As soon as this article is enforced, we shall get the final and proper view of the situation in Manchuria, that is, the true perspective.

It will be this. Until 1923, Japan, manifestly the predominant power from the Chinese standpoint because her position is coastal and not inland and because she is at home in the Far East, will administer the leased territory of Port Arthur, the Antung-Mukden Railway, and the main double-track railway from Dairen to Changchun. After that date (*a*) the rendition of the leased territory, specifically provided for by Article III of the original lease agreement of March, 1898, and (*b*) the sale of the Antung-Mukden line specifically provided for by Article VI of the additional agreement of 1905, which says that "the railway shall be sold to China at a price to be determined by appraisement of all its properties by a foreign expert, who will be selected by both parties," will simply leave in Japan's hands the double-track commercial railway running from the port of Dalny to the Central Manchurian town of Changchun. In the year 1939 this railway can be bought back on terms clearly laid down by the original statutes of the Chinese Eastern Railway Company, Section 30 stating unequivocally that "on the expiration of thirty-six years from the time of completion of the whole line and its opening to traffic, the Chinese Government has the right of acquiring the line on refunding to the company in full all the outlays made on it." And on the same date the Russian trans-Manchurian system, the last remaining right which Russia possesses in Manchuria, should pass by purchase in the same way into Chinese hands.

There is nothing complicated or obscure about these facts; they are as clear as crystal. The only possible complication which can arise is not in Manchuria, but in China. Should China fail to modernize herself completely, that is, fail to take her place as a first-class military and political power amongst the family of nations within the period named, then, of course, this argument fails. Fundamentally, then, the solution of the Manchurian Problem has

nothing to do with either Russia or Japan; it is simply a part of the general problem of the modernization of China. The two Powers, having years ago proclaimed to the world what their only possible policy can be in Manchuria, evacuation and sale of all concessions to the sovereign Power, provided that sovereign Power proves conclusively that she has become master in her own house and is therefore able to prevent any disturbance of the balance of power and peace within the limits of her territory, these two Powers cannot to-day put forward new claims. To do so would be to place themselves outside the family of nations, by declaring their pledged faith to be a matter of pure opportunism and nothing else. It is indeed just as essential for Russia and Japan to secure the restoration of natural conditions. It was mutual suspicion and jealousy which brought them face to face in Manchuria; which made them go to war; which cost them untold millions; and the effective garrisoning of Manchuria by strong Chinese corps and the complete restoration of Chinese sovereignty will once and for all remove the danger of collision, which must always exist so long as they remain as they now are, by interposing a strong buffer state. Only in the frontiers of Korea should the three rival empires meet; and there the nature of the country is such that there is no more incentive to a forward movement than there is in the exactly parallel case of the Pamirs.

The case being such as has been detailed, it is to be regretted that the after-effects of a misleading obscurantism should still tend to mar the natural solution of a problem which can be resolved into the simplest elements. This obscurantism, the fear what it may lead to, alone blurs the outlines, alone disturbs the future.

The clause in the Treaty of Peace which is of the very greatest importance just now to the world at large in view of the large financial accommodation being given to China, is the Article IV already quoted, that "Japan and Russia reciprocally engage not to obstruct any general measure common to all countries which China may take for the development of the commerce and industry of Manchuria." Obviously this clause is susceptible of many constructions; but the natural construction is the simple one that China should be given a free hand so long as her action is not dictated by a crude desire to upset the delicate balance existing between two alien Powers—before the time for complete evacuation has arrived.

Now economic development in the modern world is impossible without modern appliances; and of all modern appliances railways are probably the most important. That China should be virtually restrained during a period equivalent to a whole generation, say from 1905 to 1939, from building railways in Manchuria is in itself an intolerable state of affairs. Yet something suspiciously resembling a veto was placed by Japan, and then by Russia, on the Chinchow-Aigun scheme, Japan basing her action primarily on a private arrangement virtually forced on China and conflicting directly with the solemn international engagement made at Portsmouth not to obstruct general measures for the development of the commerce and industry of Manchuria. It is best to state this matter frankly, as it must come up again very shortly.

The Chino-Japanese Agreement of 1905, ratifying the Russo-Japanese Treaty of Peace, was not brought to a successful conclusion without the danger of a summary rupture of negotiations. One of the rocks on which the conference nearly split several times was this particular question of railways. Japan was at great pains to insist that the building of any line parallel to her South Manchurian railway could not be tolerated because of the injury it would inflict upon the one and only financial compensation she had drawn from her great war. Consequently she pressed for a formal undertaking on the part of China that no such parallel line would be constructed. The Chinese plenipotentiaries, after a great deal of discussion, believing that Japan deserved special consideration in view of the special circumstances surrounding the outbreak of war, finally consented to this provision, but in return requested a definite explanation to be included in the definition "parallel railway." The persistent Japanese answer was that if China assented to the principle, she might in confidence leave it to Japanese honor not to oppose any legitimate Chinese scheme which did not conflict with the undertaking given. The Chinese, in a moment of generosity, assented. The net result has been that Japan, by a policy which has been given very hard names even in diplomatic communications, practically stultified the solemn declaration she made in Article IV of the Portsmouth Treaty. The pressure of public opinion—and diplomacy, has been such, however, that she has already been forced to modify materially her original attitude of blind opposition, and now simply alleges in semi-official publications that her real

objection to the scheme was based on the fact that she was excluded from a participation in that in which she was entitled to participate on the principle of the open-door and equal-opportunity-for-all. The ground, therefore, has already been cleared for a fresh approach toward a solution of this vital matter. It is one that cannot be much longer delayed, since more railways are urgently needed in Manchuria.

A second danger point which may be classed under the term obscurantism is to be found in Article XI of the same agreement. On the surface it is an innocent enough article, but in the near future it may be productive of most serious complications unless China's case is properly supported and properly fought. Article XI states:

The Governments of Japan and China engage that in all that relates to frontier trade between Manchuria and Korea the most-favored-nation treatment shall be reciprocally extended.

Now the most-favored-nation clause, as experience has amply proved in many parts of the world, is a most dangerous clause whenever one nation is very much stronger than another. In the present instance this clause can be so interpreted by Japan that she may claim on the Yalu frontier the two-thirds land-frontier tariff enjoyed by Russia on the Amur and Transbaikial frontiers, and by France on the Yunnan frontier. By landing goods brought from any part of the world at the Korean port of Wiju, which is just across the Yalu River, and then taking them into Manchuria across the new railway bridge by train, a land-frontier tariff can be technically claimed, irrespective of the fact that the economic conditions on this frontier are precisely the same as those encountered anywhere along the China coast, and therefore entirely different from the economic conditions obtaining in distant frontier points such as Manchuria station on the Transbaikial frontier, or Aigun on the Amur, or Szemao and Mengtsz on the Tonkin frontier. On the narrow margins of profits now prevalent in the foreign trade in China, a preferential Yalu tariff is sufficient to give a very decided advantage. Furthermore, there is the deeper question of the free trade zone which may be also claimed on the Yalu under Article XI. Russia has managed to extend the free trade zone, designed only for nomad peoples, from Mongolia to Manchuria; and at Aigun on the Amur the Chinese customs practice is to-day to pass Russian

imports across the frontier free of duty when certified for consumption within a 100-li zone. If this procedure were forced on the Yalu, it would be necessary for the Chinese customs to fall back to Fenghuangcheng and re-establish the old line of the Willow Palisade as the virtual frontier. But the danger would not end here. The coming extension of the Kirin railway via Chientao into Korea will provide a second line of commercial invasion under the much-abused most-favored-nation clause, and complete the breakdown of what is a vital defence if Manchuria is to remain really independent, a strong customs frontier. Already experience has shown that the Dairen customs house has not an effective control over the import trade, and cannot have an effective control, until Chinese customs barriers are established on the frontier of the leased territory, Kinchow, and all freight trains searched and checked. Without further dwelling on these important points it must be evident to every impartial person that though on the surface everything is now clear, beneath the surface powerful disintegrating factors exist in embryonic form or requiring prompt and careful treatment. The unfortunate clause in the original Port Arthur Agreement which permits a discussion of the question of the renewal of the lease on the expiration of the present term rises like a distant cloud on the horizon. The desire to make the Manchurian railways a permanent possession is scarcely less masked. And there are other minor points which discretion bids leave here undiscussed. If Manchuria comes through the ordeal of these many difficulties successfully, it will be simply due to the fact that Chinese dead-weight has at last assumed a more militant form and that Japan recognizes the change. For that Russia does not care to associate herself in any way with Japan in Manchuria; that she is bound in the end to fall back on her Amur railway seems unalterably plain.

Here we reach the third and last phase of this examination—the immediate Chinese task. By examining in the next section the vital points on the Chinese side we are able to understand once and for all the last limits of this vexing question.

### III.

The situation being such as has been described, first from the general international standpoint and secondly from the more particular Russo-Japanese standpoint, it seems plain that if there is

one thing above all others on which Chinese efforts in Manchuria should immediately be concentrated it is on questions of finance: First, the primitive question of currency, and then the more complicated question of a general Manchurian budget which will harmonize taxation and expenditure, and oppose an effective modern system to the alien forces in the country.

In no part of the empire has currency been in such an inchoate condition as in Manchuria. For many years in certain marts there were actually no coins at all, not even copper cash, the entire business being conducted on a basis just one stage above primitive barter, a credit system which was peculiarly pernicious because it was grounded not on currency but on commodities. Conditions have been lately improved by a large importation of copper coins, subsidiary silver, and even silver dollars, but the absence of token coins is still so marked and primitive ideas show themselves still so tenacious that banks, such as the modern Bank of Communication, issue silver dollar notes promising to pay bearer not one silver dollar but ten 10-cent pieces! A region that measures its wealth in a petty subsidiary coinage, that is admittedly badly minted and debased in value, is surely deserving of the worst censure.

Were Gresham's Law an infallible law this debased currency should have swept the country clear of all sound currency, such as Japanese yen-notes and Russian roubles. But this law, although applicable in ordinary circumstances, is proved the very opposite in Manchuria, thanks to the existence of that formidable *imperium in imperio*, the Manchurian railway system, which knows no money but its own. Thus to all intents and purposes not only does the present defective Chinese currency penalize the people, but it exposes them to far greater political dangers by allowing the rapid expansion of these alien currencies which are becoming more and more highly prized because they are based on sound finance and not on makeshifts. Furthermore, so long as there is no sufficient stock of minted Chinese money in the country, neutral European banks—themselves a powerful guarantee of the open door—cannot be expected to open offices in Manchuria. Had there been in Manchuria even the relatively small circulation of silver dollars which there is in the other eighteen provinces, European banking agencies would have been opened long ago at the principal marts of Harbin, Changchun, Mukden and Newchwang. It has become

absolutely essential then that silver dollars and subsidiary coins, to the gross amount of at least two dollars per head of native population, or say forty million dollars in all, be put at once into circulation, and that the forced retirement of all the heterogeneous mass of paper money, such as tiao notes, merchants' transferable drafts, and subsidiary silver notes be forthwith ordered.

This means nothing less than that the whole of the new currency reform must be directed first of all on Manchuria, where modern methods have become for political reasons so vitally essential. A proper banking scheme must go hand in hand with mere currency reform; and in this one matter there are years of hard and conscientious work. The capital of the only two modern Chinese banks, the Ta Ching Government Bank and the Board of Communications Bank, is at present wholly insufficient even for the Manchurian provinces; that they, as at present constituted, should be expected to manage the internal finance work of an immense empire in the throes of modernization is ridiculous.

The second point which demands treatment equally urgently is the question of the complete policing, as distinguished from the mere garrisoning, of the country on a modern basis. A Manchurian mounted constabulary, of precisely the same nature as, for instance, the Canadian mounted police, or the Italian carabinieri, is urgently needed. Taking the latter illustration as a peculiarly useful comparison at the present moment, it may be mentioned that the Italian carabinieri, consisting of some 25,000 men, cleared Italy of a brigandage much older and better established than Manchurian brigandage, and speedily won that confidence in law and order which is precisely what is needed at the moment all over Manchuria. A mounted military police, distributed in chains of posts in every part of the country and centralized in the viceregal seat, Mukden, would soon secure the execution of Article II of the Chino-Japanese Treaty and thus immeasurably strengthen China's hand. A Chinese commission of study could not do better than proceed abroad, enlisting skilled technical aid in the establishment of the necessary training centers in Manchuria.

The third point, which is equally urgent if the future is properly measured, is the question of Chinese emigration to Manchuria, that is, assisted emigration. A proper government department is required which will steadily fertilize and strengthen the vast

resources of a region as extensive as France and Germany combined, by the simple method of directing a great stream of migration on to the unoccupied land from the more congested provinces. This will be the best monetary investment it is possible to find; in the modern world, as in all times, the greatest riches are industrious men, of whom China has tens of millions living on the verge of starvation. The most generous estimates give Manchuria to-day a population of only twenty millions; there is room for one hundred millions and more; and remembering that modern frontiers are formed by flesh and blood and nothing else, it will be at once apparent that every extra million of men that go into the country will increase China's strength and resisting power immeasurably.

These three points are undoubtedly the essentials which demand immediate attention: finance, police and migration. Automatically they will bring in their train that astounding progress which has marked Canada's latest years of development. But hardly less important is the need of better communications throughout the country. Vast regions are still virtually isolated save during the winter months, when the rude tracks which do service as roads are frozen over. A system of light railways, independent of the present system or of any future trunk system, is certainly needed, and in proportion as the strength of the country grows so should the means of rapid intercommunication be improved.

Likewise it should be borne in mind that in Manchuria there are few or none of the prejudices which linger in many of the older provinces, and therefore in the two great fields of agriculture and mining there is also room for instant action. In the matter of agriculture some progress had been made already in experimental work; but it is an open question whether the government should not have recourse at once to the methods adopted with success by Russia in Siberia; that is, of becoming a dealer on a large scale in agricultural machinery, and in securing the general introduction of that machinery amongst the peasantry by inaugurating a system of gradual payments for relatively high-priced articles. In Northern and Western Manchuria large model farms could be very successfully established; every one admits that. Similarly in the matter of mining it is senseless not to take the bull by the horns, and promote modern mining not by a system of concessions, which has proved so unsatisfactory in China, but by a claims system. By



making it a *sine qua non* that registration of mining companies can only be effected in Peking and that Chinese jurisdiction must be admitted in the articles of association, the beginning of a *modus vivendi* might be secured which could eventually be extended all over the empire, and lead not only to a great development of Chinese wealth, but to a great development of Chinese political strength as well. China should learn a lesson from Japan's signal failure in this field, where excessive protectionism has made the introduction of neutral capital next to impossible, and thereby directly arrested what should be in the modern world a normal and far-reaching growth. Mining in Japan is utterly unimportant compared with the development it has received in Europe and America; and unless mining becomes important in China her general industrial expansion will be directly impeded, whilst a new and profitable source of taxation will be left untapped. That a proper beginning on a modern basis should now be made in Manchuria is moreover a political necessity.

Whilst the truth of all this need not be doubted, it is now amply evident that in the last analysis, as the writer has already insisted again and again, the solution of the Manchurian question is no longer a local question, that is a question of this or that improvement, of this or that activity, but a question of pure Peking politics. That is to say, Manchuria is destined to be the infallible touchstone by which the success of the Peking Government as a modern governing instrument will be coldly measured. A plan needs now to be publicly laid down which will secure that in a single decade, before 1923, the currency, the complete system of railways, the army, will be in full working order. In the modern world the one argument that counts is the argument of readiness. Every access of strength in Peking will be automatically reflected in Manchuria; every sound move in Peking will strengthen the forces of conservation; every honest word will find its resonant echo on the banks of the Yalu as on the banks of the Amur, and tend to revive those spacious days when the decrees of a Chien Lung were not only listened to with awe from the deserts of Mongolia to the swamps of Annam, but unhesitatingly obeyed. Finished will then be those dreary times when the meticulous attention devoted to some petty question by the highest officers of the Chinese state awoke the derision not only of satirists, but of the simple-minded as well; and only in the halting

periods of some unperceptive traveler, whose footsteps had blindly guided him to a land falsely held to be steeped in unfathomable mystery, will it be possible to recover a confusing impression of vanished treaty-port and leased-territory days, with their vain talk of spheres of influence, of inalienable rights belonging to mediævalism and only the mediævalism. Modernization is all that is required, rapid modernization, instant modernization.

Out of chaos thus springs order, the order based on the proper development of inalienable ethnical rights. A general admission that this is so, that the curtain must be rung down on stupid days, is already growing. When everyone at last openly proclaims it, even the brain of a Moltke could not conceive of a militarism which would deny it. "There is somebody more clever than Monsieur Voltaire," said Talleyrand, "c'est tout le monde." It is, then, nothing more than the world's moral support that China sorely needs. May it soon be openly given!